

**SECURITY AGREEMENT
(DEPOSIT ACCOUNT)**

1. _____, DEBTOR, hereby grant to the State of California, Department of Water Resources, Secured Party, a security interest in the deposit account(s) described below to secure performance of the obligations set forth in Loan Contract _____ executed on _____ between Debtor and Secured Party.

2. The deposit account(s) which is(are) the subject of this agreement is(are) described below:

A. Bank _____ Account No. _____

Street Address _____ Phone _____

Mailing Address _____

B. Bank _____ Account No. _____

Street Address _____ Phone _____

Mailing Address _____

Use a separate sheet if more than two accounts. Attachment Yes No

3. If the deposit account has not been opened on the date this agreement is executed, Depositor will supply account number to Secured Party promptly following the opening of the account.
4. Debtor agrees that, except for principal and interest payments pursuant to the Loan Contract and as indicated the space below, Debtor will not withdraw any funds from the account(s) specified above until the indebtedness to Secured Party is completely discharged.
5. Debtor will notify Secured Party in writing immediately if any third party obtains or attempts to obtain a lien or other interest in the deposit account by attachment, execution or other form of legal process.
6. Secured Party, claims a security interest in the deposit account and does not waive any prior security Interest in this or any other deposit account described above.

Date _____

Debtor

By _____

Title _____

Mailing Address _____

Phone No. _____

State of California
Department of Water Resources
SECURED PARTY

By _____
Chief

Safe Drinking Water Office
Division of Fiscal Services
Post Office Box 942836
Sacramento, California 94236-0001
(916) 653-9722